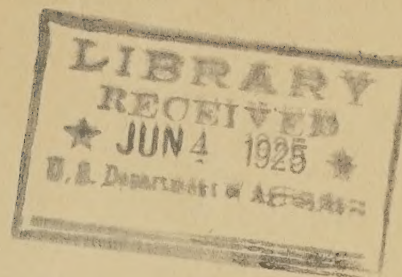


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COOPERATIVE PROGRAM
OF THE
DEPARTMENT OF AGRICULTURE
UNDER
SECTIONS 1-4 OF THE CLARKE-McNARY LAW

Approved: W. M. JARDINE,

Secretary.

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C.

May 25, 1925.

MEMORANDUM NO. 537.

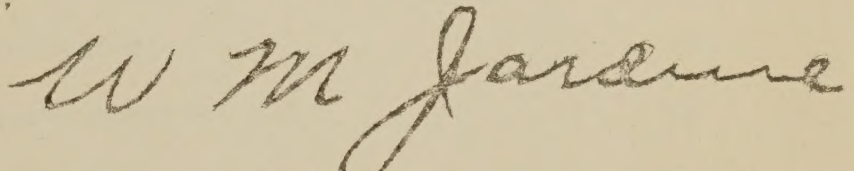
Administration of Cooperative Provisions of the Clarke-McNary Reforestation Act (43 Stat. 653).

Sections 1-3 of the Clarke-McNary law provide for cooperative work with the States in forest fire prevention and suppression and in studies of forest taxation and timber insurance. The Agricultural Appropriation Act for the fiscal year 1926 carries an appropriation of \$660,000 for the cooperative work authorized by these sections. The Forest Service of the Department is designated as the agency within the Department to administer this appropriation and the work carried on under it.

Section 4 of the Clarke-McNary law provides for cooperation with States in the distribution of forest planting stock. An appropriation of \$50,000 is made available by the Agricultural Act for this project during the fiscal year 1926. The Forest Service is also designated as the agency within the Department to administer this appropriation and the work conducted thereunder.

Section 5 of the Clarke-McNary law provides for assistance to farmers in forestry work in cooperation with the States. An appropriation of \$50,000 has been made available by the Agricultural Act for 1926 to carry out this project. The Extension Service of the Department is designated as the agency within the Department to administer this appropriation and the work to be conducted under it.

Department employees administering work under the Clarke-McNary Act will use every effort to secure coordination of the activities of the State departments of forestry, colleges of agriculture, and other agencies engaged in any phase of forestry work contemplated by that Act.



Secretary.

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COOPERATIVE PROGRAM
of the
DEPARTMENT OF AGRICULTURE

UNDER SECTIONS 1-4 OF THE CLARKE-McNARY LAW

Fire Protection

The purpose of cooperative fire protection under the Clarke-McNary law is permanent and adequate protection of not only timbered but also cut-over lands with a view to the protection of forest and water resources and the continuous production of timber on lands chiefly suitable for that purpose. The Secretary of Agriculture is authorized to cooperate with the several States in forest protection "under such conditions as he may determine to be fair and equitable," which obviously gives him wide latitude in adapting Federal cooperation to the requirements of different States. These two basic provisions, (1) continuity of timber production and (2) flexibility of administration, will be the guiding principles in cooperation under the Clarke-McNary law.

While due consideration will be given to the protection of watersheds of navigable streams, cooperation may, in the discretion of the Secretary of Agriculture, be extended to all forest lands, and to "watersheds from which water is secured for domestic use or irrigation," in State and private ownership.

The Federal expenditures for this purpose in any fiscal year cannot exceed the maximum prescribed by the law, which is the amount of State expenditure for the same purpose during the same fiscal year, including accredited private expenditures as hereinafter described.

Definition of Forest Lands

In the following statement wherever the term forest lands is used it will be understood to mean all classes of forest lands, whether timbered, cut over, or burned, and watersheds supplying water for domestic use or irrigation, which are in need of protection. In all phases of cooperation under Section 2 of the Act, as to estimated costs of protection, accredited State and private expenditures, use of Federal allotments, etc., only lands in State and private ownership will be considered.

Recommendations for Permanent and Adequate Protection

The Forest Service will use the authority and direction given the Secretary of Agriculture in Section 1 to cooperate with the several State forestry departments and with forestry associations or other interested organizations in devising or approving recommendations which will set

forth, in the light of present information, the measures essential to permanent and adequate forest protection. The Federal Government, working with the cooperating agencies, will thus (a) help to bring together in definite form the measures of fire protection in each forest region which seem essential to keep its forest lands in continuous production and are equitable to all interests concerned; (b) assist in giving these measures publicity with a view to their general support; and (c) indorse or recommend State or Federal enactments necessary to complete or continue their application.

Financial cooperation in these investigations will be sought in States with forestry departments, forestry associations, or other interested organizations. If financial cooperation is not available from such sources, the cost may be borne by the Federal Government exclusively. Publication of the protective systems indorsed or recommended is anticipated in the form of circulars of the U. S. Department of Agriculture, covering each important forest region and showing the State or other agencies cooperating.

The subject will be treated in a broad and equitable manner, basing the recommendations upon our present knowledge of the protective measures that can be required with a view to keeping forest lands continuously productive. The various methods of fire protection and the extent to which they should be employed will be thoroughly discussed, such as forms of organization, lookouts, patrols, local firewardens, fire crews, slash disposal, burning permits, police regulations as regards fire hazards, spark-arresting devices, no-smoking provisions, and so on. The cost of adequate protection will be estimated for each forest region and for each State in a normal season, and divided in each instance as between the cost of prevention and the cost of suppression. Cost of prevention includes all protection costs except (1) the wages and expenses of local firewardens, key men, or other similar men in State or private employ when actually engaged in fire fighting as distinct from sums paid them as retainers; and (2) the costs for temporary labor, supplies, equipment, transportation, etc., used in fire fighting; in other words, it is the cost of the system normally provided to effect protection, without including those elements of fire-fighting cost which will vary from year to year. While the needed strength of such a normal system may vary gradually with trends of hazard, and its cost with the cost of labor and commodities, its component activities and their near-future cost can be determined closely enough for all practical purposes. Suppression costs, on the other hand, are those above enumerated as additional to prevention cost. There is no accurate basis for their determination because the departure from normal hazard is unpredictable. Past averages afford the nearest approach, but in most cases are affected by the degree to which prevention has been inadequate. A consistent working relation will be sought, requiring change as more experience is gained.

The first essential step contemplated is thus to put definitely before the Executives, the Legislatures, and the people of each State, and also Congress and the Federal Departments concerned, the necessary protective measures which they should adopt to keep forest lands in continuous production. This will be advisable in the States having advanced legislation no less than in States where nothing has been done. The whole process should serve an additional function of value in crystallizing in concrete terms the essential measures of permanent and adequate fire protection in the various forest regions.

In any event and pursuant to the authority and directions given in Section 2 of the Clarke-McNary law, if the system and practice of forest fire prevention and suppression provided by any State substantially promotes the objects of the law as to the protection of forest and water resources and the continuous production of timber, even if short of the measures which may be recommended, the Forest Service will recognize such system and practice, and cooperate with the State. The Forest Service anticipates a gradual building up of the protective work in the various States toward the full scheme contemplated in the measures finally recommended.

Basis for Financial Cooperation

In order that a State system may substantially promote the objectives just mentioned, it should meet the following minimum requirements:

- (1) It must be organized on a sufficiently dependable and efficient basis.
- (2) It must be State-wide in principle, that is, the State law must authorize protection over the entire State, although, because of inadequate resources, the protection in fact may of necessity be localized.
- (3) It must provide for the protection of all classes of State and private forest land in need of protection - timbered, cut over, and burned.

The extent of the State's promotion of the objects of the law, beyond the minimum prescribed above, will depend upon its ability not only to enact and execute the necessary protective laws but to meet its share of the cost of adequate protection. The extent of Federal aid will vary accordingly. It will be adjusted to the degree of State compliance with the full program of protective measures. The general policy of the Forest Service will be to share in the expenditures as State resources increase up to approximately one-fourth of the cost of complete or adequate protection. After an adequate time for developing the legislative and police features of State protection up to the full program, the continuation of Federal cooperation will depend upon the adoption of measures regarded as

vital to the success of the cooperative effort and upon expenditures sufficient to put them into effect, such as a legal assurance of permanency of protection, provisions for the slash hazard, burning permits, or other essential police regulations. Just so long as the main requirements of a national policy of protection are met, there should be the utmost freedom of State development under the program of its own forestry department.

Distribution of Cost

Toward the cost of adequate protection it is the viewpoint of the Forest Service that, as a broad principle, the landowners whose property is protected should contribute one-half and the public one-half, the public half being divided equally between the State and the Federal Government. This is an ideal; the proposed distribution, except as to the Federal portion, is not intended as fixed, for it will vary with the forest region and with administrative practice in the several States. The ultimate Federal share of the cost, or one-fourth, is represented by the yearly authorization of \$2,500,000 provided for by Section 3 of the law, after deducting such portions as it may seem advisable to devote to studies of forest taxation and timber insurance.

Just how the State raises the remaining three-fourths is for the State to decide. As a general principle, however, it should be recognized that public aid is particularly needed in the protection of cut-over and young growth lands. It is regarded as reasonable and equitable for a State to require private owners to supply an equivalent to the cost of protecting valuable stands of merchantable timber and to use public moneys especially in the protection of young growth. The Forest Service encourages such State requirements.

In addition to the expenditures which it has been customary to recognize in the Weeks Law cooperation, the Forest Service will credit State expenditures incurred under the direction of the State forestry department for the following activities:

- (1) The supervision and inspection of slash disposal operations, but not the actual cost of the disposal itself.
- (2) The enforcement of fire police regulations as to railroads, logging equipment, etc., and of any laws designed primarily to reduce or control forest fire hazards.
- (3) Fire research studies.
- (4) Fire educational activities such as the salaries of special men, moving picture equipment, and so on.

As is customary with estimates for all fire protection expenditures, those for research and special educational work will be budgeted on the regular form submitted by the State forestry department. The original disbursement will be made by the State, and the Federal Government will reimburse the State in the manner hereinafter provided.

In fairness and as an encouragement to private forest owners, the Clarke-McNary law in Section 2 provides that State expenditures for the protection of forest lands may include "the expenditures of forest owners or operators which are required by State law or which are made in pursuance of the forest protection system of the State under State supervision and for which in all cases the State renders satisfactory accounting." The intent of this provision is that private expenditures, no less than the State's own expenditures, must be of such a character and so made as to promote the continuous production of timber on lands chiefly suitable for the purpose.

It will, therefore, be the policy of the Federal Government to allow private expenditures to be accredited with State expenditures as an offset to the amount expended by the Federal Government where such expenditures are either (1) required by State law or (2) incurred in cooperation with, or supplemental to, the State's protective system and under State supervision. In every case, the protection must have reasonable assurance of permanency. Unless the work is done directly by the State or Federal Forest Service, it should be based upon a written agreement between the State and the private agency, which provides for the protection of all classes of forest lands within the area covered by the agreement, and the State must vouch for the correctness of the expenditures.

A requirement of State law, such as the compulsory patrol laws of several of the States, is the ideal basis for private participation in the cost of protection. In the absence of such requirement, however, and as an encouragement to private participation on a permanent basis, voluntary expenditures incurred by the organized effort of associations or of individuals will be recognized for the time being, where:

(1) The State law provides for such association or individual effort or authorizes cooperation by the State with associations or individuals in forest fire protection.

(2) The association or individual protection work is under the immediate direction of a deputy State warden or ranger and is under general supervision by the State Forester or corresponding officer.

(3) The protection is administered by the Federal Forest Service under cooperative agreements with owners, and is conducted at their expense.

(4) Funds expended are checked and certified by the State.

Such forms of voluntary private expenditure can be recognized only for a limited period, within which the State legislature can reasonably be expected to take the necessary action for placing the protection on a more assured basis established by State legislation.

The class of private expenditures that will be recognized includes all expenses incident to the regular protective system organized in cooperation with the State system, such as expenditures for administration, inspection, lookouts, patrols, necessary improvements, and fire fighting. The following will not be recognized:

(1) All private expenditures incident to logging or lumber operations, such as those for the disposal of slash, the felling of snags, special logging patrols, personal services to prevent the escape of fire from logging or lumber operations, installation of spark-arresting devices, substitution of oil burning for wood-burning equipment, and the like.

(2) Expenditures of any kind incurred by railroads for the prevention and suppression of fires along their rights of way. A railroad is the active agency itself constituting the menace or causing the fire. It is in a class alike with the lumberjack, river driver, camper, fisherman, hunter, autoist, brush-burning farmer, sawmill, donkey or other logging engine, tractor, threshing machine, and so on.

Supervision of private effort and the rendering of "satisfactory accounting" by the State will be complied with respectively (1) where the private protective work, by association or individual, is under the direction of a firewarden, ranger or other official who holds appointment from the State, and (2) where the private accounts are audited by State inspectors so that the State is enabled to certify to their correctness. Such accounts, however, should always be available for further audit by Federal inspectors. In instances where the areas to be protected do not justify a separate protective system, either by an association or an individual, the State may collect assessments and handle the protection direct.

Voluntary expenditures of private forest owners, except as described above, cannot be recognized as a permanent basis for Federal allotments. This is true notwithstanding the fact that in certain States these expenditures are at present a valuable element in the protective system. We are building for a permanent, dependable control of the forest fire hazard. A protective system carried out for five or ten years and then terminated because the private owner withdraws will mean that the expenditures during those five or ten years may largely be wasted as far as the production of new crops is concerned.

Since it is one of the objects of the Federal legislation to extend and improve protection throughout all the forested area of each cooperating State, the Federal Government will require that Federal funds be used to extend the area protected or to intensify existing protective measures rather than to replace any part of the present expenditures by the State and private owners.

Basis of Federal Allotment

Expenditures equal to 25 per cent of the cost of adequate protection of State and privately owned forest lands represents the expected ultimate participation of the Federal Government. On the basis that the national interest is best served by nation-wide protection, the first obligation resting upon these Federal funds will be to get a fair start made by every forested State. Following the policy of the past four years, the Government will continue to match the expenditures of any State, including accredited private expenditures, up to a minimum proportion of the cost of adequate protection. Allotments up to such minimum proportion have represented, and will continue to represent, a prior lien upon the Federal appropriation. In order that the stability of the protective systems may not be impaired, such allotments will not be reduced as long as the States meet the requirements of cooperation, except in the event of a serious reduction in the Federal appropriation or for other unavoidable causes such as requests for cooperation from new States. This minimum percentage limit will be uniform for all States; and the amounts thus allotted will be known as the regular Federal allotments.

Beyond the regular allotments for any given year, the additional Federal funds available will be used as extra allotments. Extra allotments will be made in recognition of State and private funds available for protective work, on the principle of encouraging States and private owners to increase their protection up to an adequate point. The amount of the extra allotment will be based upon a uniform percentage of the excess of the total State and private funds budgeted for prevention over the regular Federal allotment. Because of changes in Federal and State appropriations and the fact that new States will continue to qualify for Federal aid, the extra allotments will in all likelihood vary from year to year.

The minimum percentage limit will be fixed at as near 10 per cent of the cost of adequate protection as the Federal appropriation will allow. When annual appropriations of \$1,000,000 or more are secured, at least 25 per cent of the Federal fund will be held available for extra allotments. If smaller appropriations are secured, the same principle will be recognized as far as possible without reducing the present allotments to any co-operating States.

The Federal Government will thus endeavor to carry one-half of the expenditures for protection until the Federal allotment reaches a certain percentage of the cost of adequate protection in each State. Thereafter, as Federal funds become available and as the State increases the protection furnished by itself or by private owners, the Government will increase the Federal allotment until it reaches 25 per cent of the cost of adequate protection.

The present practice of establishing a maximum allotment other than that prescribed by the law, which has been a temporary expedient, will be discarded as unnecessary, in view of the increase anticipated in the Federal appropriation.

No contingent will be held. New States which qualify for cooperation will receive allotments in the next Federal fiscal year, but must depend upon unexpended balances of allotments to other States for the remainder of the fiscal year current at the time they qualify.

Disbursement of Federal Funds

Federal funds will be disbursed on a reimbursement percentage basis, as at present, with the difference that expenditures for prevention only will be considered and should be reported by the States on the customary voucher claiming reimbursement. Only if the State and admissible private expenditures for prevention are less than the regular Federal allotment will suppression expenditures be counted, and then only to the extent necessary to enable the State to secure all of this regular allotment. This change in policy has in view the primary purpose of concentrating fire protection activities upon prevention rather than suppression. In other words, it puts a premium upon prevention measures. The ultimate aim is the practical elimination of the large fire and the keeping of all fires to such size as can be handled by the regular preventive force with a minimum of additional help. Further, the expenditures of a State for prevention are relatively stable and not subject to wide fluctuations with differences in fire seasons. As a result, a State can count more definitely on the total amount of Federal reimbursement which it will receive, since it will get a specified percentage of this stable expenditure.

Reimbursement, then, will be on the basis of the proportion which the total Federal allotment bears to the total of all funds budgeted for prevention - Federal, State, and private. This will in theory have the effect of limiting the Federal expenditures to purposes of prevention.

In accordance with the provision of the law which limits cooperation to State agencies only, claims for reimbursement must be submitted by the State exclusively and payment will be made only to the State. The voucher will carry a special certification for use by the State in certifying to the correctness of private expenditures.

Cooperative budgets submitted by the States will provide for showing in addition to the estimates of Federal and State funds, as at present, the estimates of private funds also.

Responsibility for Cooperative Protection

As at present, the responsibility for organizing, administering, and maintaining the efficiency of the cooperative forest fire protection system will rest wholly on the State. The Forest Service, however, will reserve the right to inspect the work at any time, offer suggestions, make recommendations, and withdraw cooperation from a State that fails to maintain a standard of protection commensurate with resources available.

Federal Inspection

Since the actual administration of the cooperative fire protection is left to the States, inspection of the work by representatives of the Federal Government is necessary in order that the Government may be fully informed as to what the States are doing and make sure that the Nation is receiving full value for the financial assistance given. As at present, inspections will continue to be made, therefore, first, to satisfy the Federal Government that the terms of the law and cooperative agreements are being complied with, including the validity of the claims for reimbursement previously submitted by the State; second, to determine how effectively the State is handling the cooperative fire protection work; third, to help coordinate and standardize State effort and to assist State officials through advice and suggestions as to ways in which the work can be done to better advantage; and fourth, to secure an understanding of the situation in the State, as an aid in formulating present and future suggestions by the Forest Service for improvements in State practices and legislation. While inspectors should not hesitate to make suggestions or to call the attention of the proper State authorities to weaknesses or failures in the organization, there will, of course, be no interference with the State's administration of the work or any assumption of administrative authority or responsibility. A review of the fire plan, in advance of each fire season, will constitute an important feature of the inspection work.

To provide adequately for inspection, the appointment of special inspectors to handle the Clarke-McNary law cooperation will be made in all of the principal forest regions as soon as the necessary funds become available. Regional inspectors are now located at Asheville, Duluth, Missoula, San Francisco, and Portland (Ore.). One will shortly be placed at Amherst, Mass., to cover the Northeastern States. It is also planned to place an inspector in the Gulf States as funds become available. The aim in the future is to have these inspectors and others who will be appointed assist in all phases of Federal and State cooperation in forestry, including not only fire protection, but tax investigations, and the distribution of planting material.

Forest Tax Investigations

The purpose of cooperative investigations of forest taxation under the Clarke-McNary law is to study the effect of tax laws, methods, and practices upon forest perpetuation and to devise tax laws that are designed to encourage the conservation and growing of timber. The Forest Service will use the authority and direction given the Secretary of Agriculture in Section 3 to cooperate with the States or other suitable agencies.

If the necessary appropriation becomes available, investigations will be started in three of the important forest regions on the basis of the following plan:

Plan of Study

In outlining a plan for a study of forest taxation it has been necessary to take into account the fact that very little detailed authoritative information on the existing forest tax situation, or of its influence on reforestation, is available as a basis for intensive study. The plan which follows is based on a belief that forest taxation cannot be adequately considered or wisely modified without reference to the general State and local tax and revenue situation. It is based still further on the belief that detailed information should be available to permit the theoretical application of proposed taxation methods to concrete data of actual and assessed forest land values. Such an application would in effect constitute a theoretical check on the feasibility and practicability of modifications from the standpoint of local and general State revenue conditions, and similarly a check from the standpoint of taxation which would not discourage timber growing.

Data to be Collected

The first important class of information secured will be to show in detail the existing forest land and timber tax situation, and in more general terms the tax situation on other kinds of property. Detailed information will therefore be secured on the constitutional, legislative, and traditional basis for taxation, and on their practical application in the levying of assessments and collection of taxes on forest land and other classes of property.

On forest land taxation more specifically data will be collected on the character of the forest, i. e., whether mature, second growth or cull, etc., and the acreage of each class; on actual and assessed values; on tax rates under the property tax, etc. Similar information will be secured on any other forms of taxes levied on forest land or the income

derived from it, such as the income tax. In order that the effect of modifications upon the revenues of different political units such as States, counties, etc., may be more fully understood, data will be secured on the proportion of forest taxes of all kinds finally paid to each.

The information indicated in the preceding paragraph on the existing forest tax situation will also be secured in more generalized, summary form on agricultural and other classes of property such as personal and public utilities, and for other economic groups such as manufacturing and commercial. Totals by political units of property values and taxes paid under the property and other taxes will permit the comparison of forest land taxation and that of other forms of property, and hence an analysis of the distribution of the tax burden on different forms of property by value and income.

The second important class of data which will be collected is that which will tend to show the effect of the existing tax situation on reforestation and timber growing. This will include information for a series of years on: the land policy of timberland owners as to the holding or sale of forest lands; purchase and blocking up of land units; the relinquishment of lands for delinquent taxes and their purchase in tax sales; the policy of owners as to cutting mature timber on a sustained yield plan; reforestation through suitable methods of cutting, fire and insect protection, artificial planting, etc.

The third important class of data which will be collected will include various other information necessary to work out modified systems of taxation and to check them on specific sets of data representing actual conditions. It will include for the States studied constitutional, legislative, administrative, and traditional restrictions and handicaps which have a very large practical value in determining both the form and extent of feasible modifications in existing law and practice. It will include information on such phases of public opinion on taxation as are likely, in a similar way, to influence the character and extent of modifications. It will include information supplementing that already available on current stumpage and forest land values and trends in different sections of the country and for various species and products, as a basis for the determination of present and probable future values. Because of the possibility of valuable suggestions, it should include as a minimum, where not already available, the translation and summarizing of the systems of forest taxation now used in selected foreign countries and the broad relation of these systems to the general taxation system. It should possibly include a study of the compound interest problem in relation to timber growing and taxation as an element in the cost of production.

How the Data will be Collected

As a preliminary measure it may prove advisable to have the entire group of investigators assigned to the problem work for a brief period in a single State to develop common working standards and methods of approach, and in short, a common conception of the job. The work will then, however, be undertaken simultaneously in each of three important forest sections of the country, as for example, the West, the South, the Northeast, or the Lake States. The work may be begun in only one State in each region, selected to take advantage of the best available records, of the most favorable opportunities for cooperation, and of the most favorable public and legislative opinion for the serious consideration of findings. After completion in the first group of States, work will be taken up successively in a series of additional States. It will be unnecessary to cover entire States, since data secured from representative counties will answer all practical purposes. All possible use will be made of records which have already been compiled by State and local officials.

The technical personnel will consist of a carefully selected group which should include both foresters and economists, so far as possible with a previous knowledge of forest and general taxation. The work must be directed by a man of exceptional capacity, training, and experience.

A particular effort will be made to secure the cooperation of all interested agencies which are in a position to assist by aiding in the collection of data or making that already collected available or by advice on plans for the work and in the interpretation of results. Such agencies will include State Tax Commissions, State forestry organizations, local county and township officials, the Bureau of Agricultural Economics of the U. S. Department of Agriculture, Bureau of the Census, and other units of the Federal Government, private interests, taxation specialists in universities and research institutions, etc. The Forest Service may cooperate with existing agencies or initiate the investigations and subsequent steps itself as the conditions in each region indicate which course will be the more effective.

Improved System of Forest Taxation

Based upon the data collected, an attempt will be made to select the best of the plans for forest taxation from those already proposed or to devise still others which offer greater promise. As far as practicable and consistent with the duty of the Forest Service to function as an impartial and disinterested public agency, it will cooperate with local organizations in selecting or devising the most promising plan of forest taxation. Plan or plans selected should:

Place a tax burden on timber comparable with that on other forms of property, taking into account the essentially different nature of timber growing as compared with other forms of business enterprise and the difference between virgin stands and second growth and bare land.

Take into account and provide adequately for the current needs for revenue of local communities.

Outline: first, where necessary, minor adjustments in present practice which are feasible of adoption under existing conditions and the present status of public opinion; and, second, the ideal system which can only be secured after a longer period of education and adjustment.

Distribution of Planting Stock

The purpose of cooperative distribution of forest planting stock under the Clarke-McNary law (Sec. 4) is to encourage the growing of wind-breaks, shelterbelts, and timber crops on the farms. The Federal Government will cooperate with the States in aiding them to grow forest trees and to dispose of them to farmers upon the most advantageous terms consistent with the State's policy of distribution.

Federal expenditures must, therefore, be limited to work connected with the farms, and cannot exceed the expenditure by the State for the same purpose during the same fiscal year. Depending upon the planting policy of the several States, it is assumed that the Federal expenditures will be for such purposes as the following:

- (1) Establishing new nurseries;
- (2) Enlarging existing nurseries, in order to grow more trees; and
- (3) Furnishing seed through large scale collections or purchases of such species as red pine or others, which it is difficult for State nurseries to obtain. (Whenever desirable and possible, the Federal Government will furnish seed instead of money.)

Where States in the same general region have difficulty in establishing nurseries, the Federal fund might be used to establish a regional nursery for serving two or more States.

Section 4 of the Clarke-McNary Act is meant to apply to the nursery part of farm reforestation, including the actual distribution of trees to the farmers. All overhead costs in connection with the nursery operations, including seed collection or purchase, are a proper charge against this activity. This section does not, however, provide for cooperation in actual planting operations on farms, which activity is covered by Section 5 of the Clarke-McNary Act.

As a rule, the State forestry department, where one exists, is the State agency which directs the State Forest Nursery and handles such service work as the distribution of trees to private owners. It will, therefore, be the general policy of the Federal Government to cooperate with the State forestry departments. This will not be an inflexible rule, however, because a number of the State forestry departments, particularly those in the West, either do not engage in such work or are not authorized to do it. They for the most part prefer that the work be handled by the State agricultural college. In some States which have a forestry department, as

well as in some which do not, the agricultural college is already engaged in the work of distributing forest trees. Where the State forestry department is not engaged in the distribution of forest trees to farmers, the Federal Government will cooperate with the State agency which, in its judgment, is best qualified to conduct this work.

State policy varies also as to financing the growing and distribution of the trees. One extreme is where the State meets the entire cost of growing the trees, distributes them free, and receives no reimbursement whatever; the other extreme is where the State makes the initial outlay but sells the trees at cost of production, and is thus reimbursed in full. Between these extremes various methods have been adopted by the States for meeting a portion of the cost. The Forest Service believes that the best results will be obtained in the long run by having the recipient pay for the cost of the material. However, the Service will accept as the basis for cooperation whatever policy may be in effect in a State.

To carry out the intent of Section 4 of the Clarke-McNary law, the Federal Government will adopt the following procedure in making allotments of Federal funds:

Regular Federal Allotment - A fixed sum, tentatively set at \$2,000, and to be known as the regular Federal allotment, will first be allotted to each State that seeks and qualifies for cooperation. The allotment will be less to any State unable to take up its full quota of \$2,000. It is believed that this plan for distributing a portion of the Federal fund will provide the necessary encouragement to States either not yet distributing forest tree stock to farmers or doing so only on an inadequate scale, and that it will provide the element of stability in the funds available for State use that is essential to carrying out this cooperative project on a sustained basis.

Extra Federal Allotment - In recognition of proportionate State effort, any balance in the appropriation or accruing from unused quotas in the regular Federal allotments will be distributed as extra allotments among the States. The basis for such distribution will be the excess of State funds budgeted over the regular Federal allotments. A maximum for these extra allotments may be established if equity seems to require it.

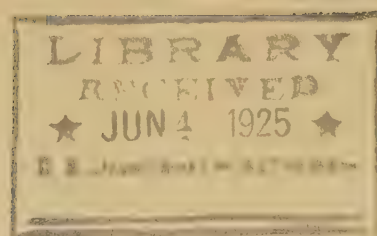
The requirements for cooperation will be (1) that the State in each instance will expend from appropriated funds or receipts from sales of stock an amount at least equal to the Federal expenditure; (2) that the Federal allotment and the Qualifying State funds shall be expended exclusively in procuring, producing, and distributing forest planting material for farmers; (3) that in States which make a charge for planting stock such charges shall not recover any part of their Federal allotment; and (4) that

the plans and practice of the State are effective in securing the use of the planting material for reforesting denuded or nonforested farm lands with useful wood crops.

A budget will be required from each State qualifying for this kind of Federal aid, which should show (1) the total funds (Federal and State) available for expenditure in the production and distribution of forest trees to farmers during the ensuing Federal fiscal year, and (2) the distribution of these funds under the various items of cost.

The State forestry department will incur all original expenses, and will be reimbursed by the Federal Government in an amount not to exceed the total Federal allotment. Reimbursement will be made on the basis of a certain percentage of such expenses, representing the proportion which the total Federal allotment bears to the total of the funds (Federal and State) budgeted.

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Reserve

COOPERATIVE PROGRAM
OF THE
DEPARTMENT OF AGRICULTURE
UNDER
SECTION 5 OF THE CLARKE-MCNARY LAW

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DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C.

May 25, 1925.

MEMORANDUM NO. 537.

Administration of Cooperative Provisions of the Clarke-McNary Reforestation Act (43 Stat. 653).

Sections 1-3 of the Clarke-McNary law provide for cooperative work with the States in forest fire prevention and suppression and in studies of forest taxation and timber insurance. The Agricultural Appropriation Act for the fiscal year 1926 carries an appropriation of \$660,000 for the cooperative work authorized by these sections. The Forest Service of the Department is designated as the agency within the Department to administer this appropriation and the work carried on under it.

Section 4 of the Clarke-McNary law provides for cooperation with States in the distribution of forest planting stock. An appropriation of \$50,000 is made available by the Agricultural Act for this project during the fiscal year 1926. The Forest Service is also designated as the agency within the Department to administer this appropriation and the work conducted thereunder.

Section 5 of the Clarke-McNary law provides for assistance to farmers in forestry work in cooperation with the States. An appropriation of \$50,000 has been made available by the Agricultural Act for 1926 to carry out this project. The Extension Service of the Department is designated as the agency within the Department to administer this appropriation and the work to be conducted under it.

Department employees administering work under the Clarke-McNary Act will use every effort to secure coordination of the activities of the State departments of forestry, colleges of agriculture, and other agencies engaged in any phase of forestry work contemplated by that Act.

W M Gardner
Secretary.

COOPERATIVE PROGRAM
of the
DEPARTMENT OF AGRICULTURE

UNDER SECTION 5 OF THE CLARKE-McNARY LAW

Section 5 of the Clarke-McNary Law (Act of June 7, 1924) directs the Secretary of Agriculture "in cooperation with appropriate officials of the various States or, in his discretion, with other suitable agencies, to assist the owners of farms in establishing, improving, and renewing woodlots, shelter belts, windbreaks, and other valuable forest growth, and in growing and renewing useful timber crops." The State or other cooperative agency must expend during each fiscal year an amount at least equivalent to the Federal funds expended. The Federal appropriation available for carrying out the purposes of this Section, amounting during the fiscal year 1926 to \$50,000, will be administered by the Extension Service of the Department.

Section 5 contemplates both assistance to individual farm owners in various forms of timber growing and educational or extension work in forestry among farm owners by groups. The term "owners of farms" should be construed broadly as embracing all owners of wooded lands or lands needing reforestation that may reasonably be regarded as distinct from the large areas of forest lands, such as holdings operated by timber-using industries.

There are two groups of State agencies whose cooperation is desired by the Department of Agriculture in carrying out the purpose of the law, namely:

(1) The Agricultural Extension Services with which the Department is now cooperating in extension work. These Services are a part of the educational systems of their States and form a medium for reaching the rural population which cannot practically be duplicated by any other agency. Farm forestry in many States supplies a large part of the farm income and must necessarily be considered in the working out of plans for farm management.

(2) The State Departments of Forestry, with which the Department has also cooperated for many years in various forms of forestry development, including educational work and assistance to individual owners as well as the protection of forest areas from fire. In each State which contains important areas of forest land or lands adapted to reforestation, it is essential that the general program of forestry be developed and coordinated by the State Forestry Department, or where no such Department

exists, by some other agency. This includes not only the protection of forest areas from destructive agencies and other regulatory duties, but commonly also such functions as the development of a planting program for the State and the furnishing of planting material. Farm forestry in these States is necessarily a part of a broad program of forestry for the entire State.

Both of these groups of State agencies are now conducting forestry work of the nature contemplated by Section 5 of the Clarke-McNary act. The Department believes that the activities of both groups should be coordinated as closely as practicable. In carrying out the terms of the Clarke-McNary law, the Department seeks to secure coordination of the activities of the Extension Services and Forestry Departments in the States where both agencies exist, leaving it to these agencies in each State to determine in what manner they can best coordinate their work of promoting timber growing by farmers.

The Department believes that coordination of farm forestry extension within the several States will usually be most effective if the following practices are followed:

1. It is desirable for the State Forester and the Director of Extension to discuss thoroughly the general policy of forestry necessary for the State; the importance and place of timber growing in the agricultural program of the State; the ways in which extension work can most effectively promote the production of timber and the general forestry program of the State; and the need for and methods of giving assistance and information to farmers who own forest land. The forestry projects on the extension programs of both organizations and their working plans and subject matter should be discussed and mutually approved.
2. It is desirable for the State Forester to furnish the members of the Extension Service, by all practicable means including lectures at the State Agricultural College, information concerning the State forestry policy and practices.
3. It is desirable that the Extension specialists in forestry possess qualifications and an attitude toward the general forestry problems of the State which are acceptable to the State Forester, and that the selection of forestry extension specialists employed by either agency be subject to approval by both. It is advantageous to have members of the staff of the State Forester detailed to the Extension Service as extension specialists representing both agencies. In general, the interchange of personnel between the two organizations is desirable.

4. It is important that the Director of Extension should inculcate throughout his force an understanding of the need for forest protection as a necessary public activity as well as an essential part of the individual projects in timber growing. A similar understanding should be obtained of the regulatory and educational work of the State Department of Forestry in all phases of forest work in the State, including the control of forest insects and diseases. The efforts of the State Department of Forestry to secure more effective and more general protection of forests from fire and to advance other general phases of forestry in the State should have the active moral support of the Extension forces.
5. In States where the Forestry Department supplies forest planting stock, the use of such material should be included in the recommendations of extension workers to landowners. It is desirable that such recommendations be in accord with the planting program for the State adopted by the Department of Forestry.

In States which contain no Forestry Departments, the Department of Agriculture invites the cooperation of the State Extension Services on projects designed to extend timber growing on farms. In States which contain Departments of Forestry, the Department of Agriculture similarly invites them jointly with the State Extension Services to cooperate under Section 5 of the Clarke-McNary law, on projects to be submitted with the approval and endorsement of both State agencies. The Director of Extension Work and the Chief of the Forest Service of the Department will jointly send copies of this statement to all State directors of extension and State Forestry Departments, inviting the submission of cooperative projects to the Director of Extension Work. These projects will be discussed with and approved by the Forest Service before their approval by the director of Extension Work.

Projects may provide for the work being done by either one of the local agencies, or by both of them under a coordinated plan, as shall be jointly determined by the State Extension Service and the State Department of Forestry. The funds furnished by the State for any project may be taken from State appropriations either for the Extension Service or for the Department of Forestry, or from both of these sources, as may be agreed upon by these agencies.

The Extension Service of the Department of Agriculture will employ an extension specialist in forestry who shall be acceptable to the Forest Service. To the extent practicable the work done in the field under

Section 5 projects will be inspected by this extension specialist. The regional staffs of the Office of Cooperative Extension Work and officials of the Forest Service employed under other sections of the Clarke-McNary Act will also assist in making these projects effective.

Reports on the work will be submitted jointly to the Extension Service and the Forest Service for their mutual consideration. Expenditures by the States of Federal and offset funds for farm forestry extension will be audited by representatives of the Office of Cooperative Extension Work in connection with the annual auditing of expenditures of Smith-Lever funds.

So far as funds are available, initial allotments of approximately \$1,500 for the fiscal year 1926 will be offered to each State that is prepared to cooperate financially and to submit acceptable projects.

C. W. WARBURTON,
Director of Extension Work.

W. B. GREENLEY,
Forester.

Approved:

W. M. JARDINE,
Secretary.